ECONOMIC GROWTH AND SOCIAL CHANGE: ACHIEVEMENTS, PROBLEMS, PROSPECTS

By Robert Cole

Japan provides a remarkable case study of the relationship between economic growth and social change. The astounding rate of Japanese economic growth (as measured in increased GNP), particularly since 1955, draws attention to this relationship.[1]

In recent years, the underlying questions involved have been posed in the controversy surrounding the "convergence hypothesis." The sharpest presentation has come from Clark Kerr and his associates, who propose a "logic of industrialism" whereby advanced industrial societies become increasingly similar in sociostructural arrangements and value orientations as unique national identities fade into the background (Kerr, Dunlop, Harbison, Myers 1964). The emphasis is on the economic and technological imperatives that flow from advanced levels of industrialization. This point of view is by no means new and can be found explicitly stated in the earlier work of Karl Marx and Thorsten Veblen; Veblen (1914) specifically applied this perspective to Japan. A number of scholars have been extremely critical of the convergence hypothesis (Bendix 1964). There can be no objection to research projects testing the convergence hypothesis, but concern may be voiced at the alarmingly large numbers of projects which adopt the convergence view as a basic assumption, either explicitly or implicitly. It is often nothing more than a statement of the conventional wisdom of the present-day American liberal who seeks to interpret the directions of social change in other lands in terms of the American experience.

Japan, as the only non-western advanced industrial society, is a logical testing area for the convergence hypothesis. A great deal of the literature on Japanese economic growth and social change can be dealt with in the framework of conformity with or rejection of the hypothesis. This strategy is used in organizing this paper.

Among Japan specialists, John Bennett has been notable in his adherence to the convergence hypothesis (Dore 1967). He sees recent economic development as leading to a breakthrough in social organization; this

involves the emergence of patterns of urbanization similar to the western model, breakdown of the dual structure, increased movement of labor, and the growth of consumer-oriented individualism and opposing interest groups. As Bennett explicitly notes, however, many of his statements are based on insufficient data and involve projections of present trends.

The Bennett thesis is presented in *Aspects of Social Change in Modern Japan* (Dore, ed. 1967). This book, based on the contributions of fourteen social scientists, is probably the most ambitious attempt thus far by westerners to treat the impact of rapid economic growth upon social change. In a general way it seeks to test the propositions that rising economic levels bring increased emphasis upon achievement as opposed to ascription, functionally specific as opposed to functionally diffuse patterns of authority, the narrowing scope and decreasing intensity of authority relationships, self-oriented as opposed to collective behavior, and behavior based on rational secular premises. Dore finds more evidence among the submitted essays for the first three propositions than for the latter two. He cautions against assuming that present trends will automatically continue, and raises the issue of the extent to which such similarities to the west as do emerge are a result of diffusion and emulation rather than convergences arising from the "logic of industrialism." In view of Japan's habit of borrowing, which is appropriate to her role as a late-developing country, the issue seems especially relevant. It raises the difficult methodological question of whether we can determine the causes of convergence. In any case, this book is not the definitive study of the relation between economic growth and social change but an exploratory attempt to establish baselines and methodologically defensible research designs relating to the convergence hypothesis. There is no theoretically coherent framework for understanding the relationship between social change and economic growth; it is rather a collection of essays on subjects of peculiar interest to the contributing scholars with some common themes shared by all.

A number of studies presently under way seek more explicitly to test the convergence hypothesis. Bernard Karsh and Nihei Yasumitsu are comparing industrial firms in America and Japan to see if similar technology gives rise to common social organization. Another study by Hideaki Okamoto, Hazama Hiroshi, Ronald Dore, Keith Thurley, and Martin Collick compares English and Japanese industrial enterprises in dealing with many similar kinds of issues. Still another study, concerned with the role of tradition and the question of convergence, deals with the meaning of work and company attachments and unions for blue-collar workers (Cole 1970). These studies emphasize the impact of technology and economic growth upon the working lives of employees. This emphasis seems suitable because such research involves study of the individual behavior most directly tied in with economic and technologic changes. Some of the more

interesting questions concerning convergence, however, revolve around the implications of economic growth for future forms of social organization. Here the methodological issues and problems of establishing causal connections are even more difficult.

In recent years, rapid economic growth in Japan has been associated with rising standards of living and a growing consumer economy, changes which have a variety of effects that have not yet been made clear. Some interpretations of these effects are being hotly contested, especially by Japanese scholars. A favorite hypothesis has been that the rising standards of living and the associated consumer economy give rise to freedom from traditional restraints and to an instrumental individualism. Few data exist to confirm such speculations. An exception is Ezra Vogel's study (1963) of the Japanese "sarari man." He points to the emergence of the "new middle class" but sees this class as retaining many of the characteristically Japanese modes of behavior. Ronald Dore (1967), after a general analysis of changing patterns of mobility and employment, also maintains that individuation has occurred on a relatively limited scale during the course of Japanese industrialization. The Japanese scholar Masao Maruyama (1965) has made an important contribution in his theoretical framework for analyzing the diverse patterns of individuation. He seeks to identify the various dimensions of individuation and call attention to those which have achieved prominence in Japan.

Political questions concern the relationship of rising standards of living to class conflict and the ability of the more deprived sectors of the population to organize and bring about a more equitable distribution of income and other rewards. Except for some speculation by political scientists, western social scientists have had relatively little to say on this matter. Some references have been made to those groups which are left behind, such as the petty bourgeoisie, and to their tendency to support Soka Gakkai, but not much data is available.

Marxist-oriented sociologists, who compose perhaps half the Japanese sociologists under forty, have been extremely interested in these questions as they relate to possible future alternatives to Japanese capitalism. They envision a "convergence" not in terms of the pluralistic society seen by Kerr and his associates but after the model of the socialist society. Shimazaki Minoru and Hamajima Akira are two of the leading Marxist analysts dealing with these questions. Their school of thought asserts that the impetus for social change must be the dynamics of social class as conditioned by economic relations. They think that Japanese capitalism will face serious crises in the future; class consciousness will grow as the conditions of workers worsen. Focusing their attention on the potential sources of crisis, they give great emphasis to imbalances in various sectors of the economy, particularly the differential growth of rural and urban

sectors. In contrast, some of the non-Marxist sociologists have used empirical studies to demonstrate a coming together of urban and rural sectors.

The indisputable rise in the worker's standard of living in the last ten years has been somewhat embarrassing to the Marxist contention that conditions are worsening. Marxist sociologists have accordingly shifted their arguments to emphasize the way rapid economic growth has caused growing alienation of workers in large bureaucratic organizations, growing instability of individual livelihoods as a result of a high rate of inflation, worsened conditions of employees in small- and medium-scale enterprises, and a deteriorating urban environment resulting from overcrowding, inadequate housing, air and river pollution, and the like. These studies should not be dismissed as mere Marxist dogmatism. Despite the not uncommon presence of sterile ideology, these studies have focused attention on points of tension and sources of potential change in Japanese society. They are based upon a dynamic model of social change. Such a model has been sorely lacking in the approaches of western scholars.

Thus far we have dealt with studies which consider the impact of rapid economic growth in bringing about social change. Conversely, it is possible to focus on the way in which patterns of social change influence the shape and rate of economic growth. A number of Japanese and American social scientists have emphasized this approach, particularly in an historical context. For example, James Abegglen's study of the Japanese factory (Abegglen 1958) tries to show how economic growth was achieved and is being achieved in Japan with non-western values and structural patterns playing a major role. His book has had great influence on those social scientists interested in the relation of cultural traditions and modern organizational forms. A recent survey of the most widely cited books in the study of organizations shows that Abegglen's book is among the most commonly listed (March 1966).In spite of or perhaps because of this popularity, the book has attracted a great deal of criticism from both Japanese scholars and western specialists on Japan. Critics have alleged that the book contains overdrawn generalizations as the result of defective methodology and insufficient historical perspective on Japanese economic development. Koji Taira (1962) demonstrated that many of the so-called traditional, persistent features of the Japanese labor market are in fact recent innovations arising from changes in labor requirements during the course of economic development. Taira takes a rather stark position of economic determinism which is quite consistent with the convergence hypothesis. Following this line of thought, one might expect that changing economic requirements resulting from present and future economic growth will lead to a new restructuring of social organization resembling western forms.

Solomon Levine, dealing with similar questions, takes a position somewhere between Abegglen and Taira (Lockwood 1965). He recognizes that economic considerations have played an important part in forming present-day labor market arrangements and other structural patterns within the business or industrial firm, but he sees these arrangements and patterns as an accommodation to political and social factors as well. Following Levine, we would expect existing structural patterns to respond not only to economic and technological imperatives but also to the influences of "historical actors," individuals who influence courses of action.

In his work on family and migration, Ezra Vogel has also focused on the way in which patterns of social change have influenced the shape and rate of economic growth. He has been particularly interested in the process of "ordered social change" throughout Japanese industrialization and the way in which it cushioned the impact of economic development and gave meaning and continuity to people's lives (Dore 1967).

A number of Japanese scholars have adopted this approach of examining the shape and rate of economic growth as they are conditioned by patterns of social change. In a sociological treatment of the history of Japanese industrialization, Hazama Hiroshi (1963) attempts to explain the high degree of motivation, among employees, to work. Hazama finds his answer, in part, in "*keiei kazoku shugi*," the ideology of management familism. This ideology joined with the new practices of life-time employment and the age and length of service reward system serve to cushion the industrial transition for individual participants and make possible a rapid and orderly rate of economic growth.

Problems and Prospects

Japan undoubtedly provides an outstanding testing ground for examining the relationship between economic growth and social change, but little more than a beginning has been made. Central to the success of future research is the establishment of baselines from which change can be measured. Existing research has been severely hampered by a lack of data on past forms of social organization and values. Recent studies have called into question the very existence of the tradition from which change is alleged to have occurred (Taira 1962). Thomas Smith, for example, has emphasized the cyclical changes in the criteria for awarding status (Dore 1967). By pointing to the importance of merit in the seventeenth century, he casts doubt on the assumption that ascriptive criteria predominated in pre-industrial Japan and that the role of merit has inexorably expanded in response to the imperatives of industrialization. The lesson is important; it does no good to speak of social change unless we know from what state change is occurring.

Hall has stated recently (1968) that much of the last two decades of western scholarship on Japan concerns the role of tradition in stabilizing

social change. The emphasis has been on continuity and the cushioning effect of social forms and values upon the changes imposed by rapid economic growth. Western scholars point out how the ground for successful industrialization was "carefully" prepared in the Tokugawa period. They minimize suffering, dislocation, and exploitation associated with rapid economic development. Just as many Japanese scholars have colored their vision with Marxist-tinted glasses, so do western viewpoints bear the imprint of a special coloring. This bias on the part of western scholars focuses on the role of tradition and nationalism in weakening both the radical left and the liberals throughout Japanese industrialization. Although a legitimate concern, it blinds western scholars to many other subjects of potential research. We have few dynamic models to interpret the rapid economic growth of the postwar period and the seemingly rapid social change that has accompanied it; our studies tend to be descriptive rather than analytic. Such inadequacies are by no means limited to specialists on Japan. American sociology, in general, has been addicted to static typologies; only recently has the move toward dynamic models of social process accelerated (e.g., Buckley 1967; Blau 1964). Japanese specialists can make a major contribution by applying these various models to Japan, and subjecting them to critical examination and revision.

American sociology is not the only discipline which has limited the horizons of its practitioners. It is by now a cliché that anthropologists would do well to join the modern world and see what contribution their concepts, perspectives, and approaches might make to understanding industrial society. The persistence in Japan of many structural forms and values that have been regarded as characteristic of preindustrial societies provides data suitable for anthropological analysis. For example, customs of age-grading and the patron-client relationship are two social phenomena with which anthropologists have worked extensively. Some recent sociological and anthropological essays strongly emphasize that these institutions do not necessarily disappear in advanced industrial societies (Ryder 1965; Wolf 1966) although their form and content are shaped by the nature of economic growth and its attendant consequences. Japan seems an obvious place for anthropologists to study the role of such phenomena in industrial societies, what shape they take, and what meaning they have for participants.

In defining the relationships between economic growth and social change, severe methodological problems exist. How are we to determine causal connections that may exist between economic growth and social change? The links are often indirect and unexpected. This problem, of course, is not unique to Japan. In addition to drawing upon our disciplines for methodological approaches, we should try to use data on Japan to solve fundamental theoretical issues relating to economic growth and social

change. How do sociostructural patterns affect and how are they affected by technological changes, economic growth, and differing models of economic organization? The latter three factors are by no means identical, and the relationships among the variables are complex.

Certain critical areas can be examined to determine these relationships. We have space to mention only a few. Economists and economic historians tell us that late-developing or follower countries industrialize in very special ways that leave their mark on economic, social, and political relationships (Veblen 1934; Gerschenkron 1962). Thus, it is not simply a matter of grasping universal relationships between economic growth and social change. We must consider the implications of Japan as a late-developer, a country which even today trails in the wake of the United States. David Landes has made some provocative remarks on this matter, and Rosovsky has attempted to apply some of Gerschenkron's ideas to Japan (Lockwood 1965; Rosovsky 1961). These are at best halting steps forward, which have been taken, moreover, only by economists and therefore naturally center on economic changes. The perspective of Japan as a late-developer goes to the core of such issues as the convergence hypothesis. Did being a late-developer, which exposed Japan both to the merits and disadvantages of borrowing, give a special mark to Japanese economic growth and social change? Will this mark disappear as Japan now moves into the ranks of super-industrial powers?

A prime area for studying such questions is the so-called dual structure. It is generally agreed that the form of the dual economic structure in Japan has been heavily shaped by Japan's status as a late-developer. Apart from its economic aspects, the dual economic structure has enormous implications concerning standards of living, life styles, political behavior, and perhaps even personality. Yet, again western scholars have left the subject to the economists. George DeVos and Hiroshi Wagatsuma, in their current study of Japanese lower-class families, have begun to explore the sociological and psychological implications of the dual economic structure, but much remains to be done. Some economic indicators have shown a weakening of the dual economy while others have shown an intensification of duality. For example, wage differentials by size of enterprise, which had been narrowing in recent years, began to increase again in 1967. In the future will Japan's dual economic structure and its social implications become identical with those of western countries? Will Japan continue to display the characteristics and consequences of a late-developer? These questions represent a rephrasing of the convergence argument in terms of empirical situations which seems likely to provide fruitful results. Whether or not characteristically Japanese patterns of structure and values are maintained, it is important to examine the kinds of ideologies that legitimate existing structural forms as well as those that emerge for new forms. How are

tensions managed between imported western ideologies and traditional social forms? Of particular interest is the way in which Japan's youth perceives and copes with discrepancies between ideology and the social order. As already noted, Hazama Hiroshi has dealt historically with the relationship of ideology and social arrangements; a continuation of these efforts seems warranted.

A final comment concerns demographic factors. The demographic transition experienced in Japan appears similar to that which occurred in the West. Tachi and Okazaki (1965) argue that it was rather beneficial in its consequences for economic growth. In particular, scholars emphasize the important role played by an abundant and skilled labor force. The demographic transition was itself influenced by increased economic growth which coincided with declining mortality rates and later with falling birth rates. These changes, in turn, conditioned age structure, family size, and a variety of other interdependent social changes. We have not been very successful in tracing these varied developments.

These issues suggest an important opportunity for research in Japan today. Continuing rapid economic growth, changing age structure, and rising educational levels all contribute to what appears to be an historic turning point in relationships of labor supply and demand. Japan is moving towards a labor shortage economy. The potential effects of this development are enormous and can be expected to spread to many areas of Japanese economic and social life. It will be the task of researchers to trace out the consequences of these developments for continued economic growth and social change.

Conclusion

The issue of convergence is elusive. It seems plausible that the interdependence of different parts of society is not uniform; some sectors are relatively autonomous (Gouldner 1959). If this is the case, convergence is more likely to reach some sectors and levels of society earlier than others and even to occur in some sectors and levels but not in others. For example, we would expect employee work patterns and reward systems to be more directly affected by changing technology than patterns of leisure, though the latter may be more subject to demonstration effects from other advanced industrialized societies. We shall need many more studies before we can even begin to make meaningful theoretical statements about the areas and levels where convergence seems likely to occur, not to speak of formulating a timetable.

One may accept both the idea that industrial societies have in common certain requirements which must be met and the view that various functional equivalents exist for satisfying these requirements. The assumption that functional requirements may be met by a variety of structural and cultural forms in different societies suggests that convergence is not always

automatic and, as we have noted, that it may occur as a product of diffusion. This perspective allows room for consideration of not only technological and economic imperatives but also of the needs of historical actors.

The convergence hypothesis is not the only subject needing critical analysis. Western scholars tend to see features of Japanese social organization as sui generis. This circumstance stems in part from the fact that historians, who have a vested interest in uniqueness, constitute a large percentage of the scholars explaining Japan to western audiences. Descriptive community studies by western anthropologists further lend themselves to this interpretation. Many Japanese scholars have also emphasized the uniqueness of Japanese institutions.

Contrary to these perspectives, it appears more fruitful to examine the kinds of functional equivalents that exist in different industrial societies. For example, evidence suggests that the age-seniority system of wage payment in Japanese firms is best seen as a functional equivalent of the occupational system of wage payment in the United States (Tsuda 1965) rather than as an aberration from western rationality (Abegglen 1958). Such an emphasis would serve to bring Japanese research into the mainstream of social science research by relating it to the experiences of other advanced industrial societies.

In the course of this paper, we have emphasized the importance of establishing baselines from which future change can be measured. We have also stressed the need, in considering the relationship between economic growth and social change, to adopt process-oriented approaches. We have mentioned possible strategies of research focusing on the significance of Japan as a late-developer, the interaction between ideology and social organization, and the significance of the demographic dimension. These and our other suggestions for research and research strategies have been made without consideration of possible research support. There is, of course, the practical need to determine priorities for the allocation of scarce research funds.

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NOTES

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